



# United States Department of the Interior

## BUREAU OF OCEAN ENERGY MANAGEMENT

Gulf of Mexico OCS Region  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394

In Reply Refer To: MS GM 266A  
OCS-G 7541

June 14, 2019

Sanare Energy Partners, LLC  
11 Greenway Plaza, Suite 2800  
Houston, TX 77046  
Attn: Brain H. Macmillan

Dear Mr. Macmillan:

Your letter dated June 10, 2019, submitting Outer Continental Shelf (OCS) Mineral Lessee's or Operator's Supplemental Bond No. **N-7002317**, in the amount of \$200,000, was received by our office on June 11, 2019. This bond, conditioned to cover Right-of-Way OCS-G 7541, was executed on February 7, 2019, with Sanare Energy Partners, LLC as principal and Indemnity National Insurance Company as surety.

The bond conforms to the requirements of the leasing and operating regulations for the submerged lands of the Outer Continental Shelf. It is effective as of the date filed, June 11, 2019.

Should you need further assistance, please contact Kathleen Lee at (504) 736-5774 or [boemgomrfinancialassurance@boem.gov](mailto:boemgomrfinancialassurance@boem.gov).

Sincerely,

Susan Vaughan, Section Chief  
Leasing and Financial Responsibility Section  
Leasing and Plans

cc: Indemnity National Insurance Company  
725 Cool Springs Blvd., Suite 600  
Franklin, TN 37067  
Attn: Theresa Pickerell

Sent Via Email To: [bmac@sanarepartners.com](mailto:bmac@sanarepartners.com) , [tpickerrell@smithmanus.com](mailto:tpickerrell@smithmanus.com)



11 Greenway Plaza  
Suite 2800  
Houston, Texas 77046

(713) 626-9696

Fax (713) 626-3444  
Via Federal Express

June 10, 2019

Bureau of Ocean Energy Management  
Lease and Financial Responsibility Section  
Attn: Ms. Kathleen Lee  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2394

**Re: Supplemental Bonds**  
**Sanare Energy Partners, LLC acquisition of Medco Energi US LLC properties**  
**Main Pass 64, OCS-G 4909 and Main Pass 65 OCS-G 5692**

Dear Ms. Lee:

As you may be aware, Northstar Offshore Ventures, LLC (3520) received BOEM approval of our company name change into **Sanare Energy Partners, LLC (3520)** {"Sanare"} and all replacement bonds into the new company name were approved by your office as of May 29, 2019.

With our company name-change now in place, we submit the following Supplemental Bonds representing our acquisition of the captioned properties and associated rights-of-way from Medco Energi US LLC's (2672) {Medco}. The acquisition was made effective July 1, 2018. These bonds are covered under our Surety, Indemnity National Insurance Company and are to replace the bonds currently held by Medco Energi US LLC. Sanare Energy Partners, LLC does not have a company seal.

Sanare New Supplemental Bonds:

Main Pass 64	Lease OCS-G 4909	#N-7002315	\$7,150,000.00
Main Pass 65	Lease OCS-G 5692	#N-7002316	\$1,450,000.00
-Main Pass 65	Right-of-Way OCS-G 7541	#N-7002317	\$ 200,000.00

Also enclosed under separate cover letters by Medco, are their original executed letters requesting the following bonds be cancelled and their liability be terminated:

Area Wide Bond	#106936198	\$3,000,000.00	
Area Wide Pipeline Right-of-Way Bond	#106936199	\$ 300,000.00	
Main Pass 64	Lease OCS-G 4909	#106936195	\$7,150,000.00
Main Pass 65	Lease OCS-G 5692	#106936194	\$1,200,000.00
Main Pass 65	Lease OCS-G 5692	#106936196	\$ 250,000.00
Main Pass 65	Right-of-Way OCS-G 7541	#106936197	\$ 200,000.00

Should you have any questions or require additional information, please free to contact me at (713) 386-1046 or [bmac@sanarepartners.com](mailto:bmac@sanarepartners.com).

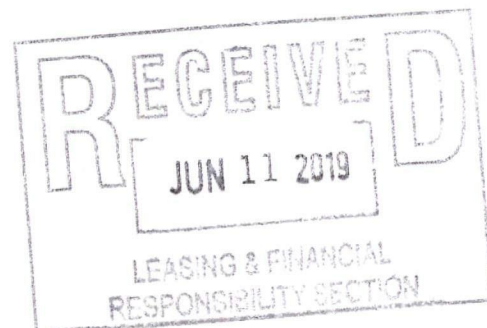
Respectfully,

  
Brian H. Macmillan

Sr. Vice President - Land

sg/Word/Reading 20198/Medco Acq/BOEM Bond Submittal as of 6-3-19.docx

c: Mr. Carol Williams

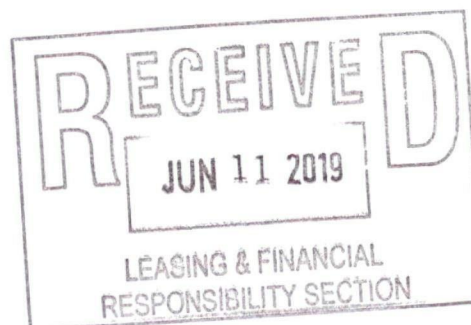


Cover Page  
**OUTER CONTINENTAL SHELF (OCS)  
MINERAL LESSEE'S OR OPERATOR'S  
SUPPLEMENTAL BOND**

**Form BOEM-2028A**

**This form dated June 2016 supersedes all previous versions of form BOEM-2028A**

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that BOEM collects this information to hold the surety liable for the obligations and liability of the Principal (lessee or operator). Responses are mandatory. No proprietary information is collected. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 15 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments regarding the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.





# U.S. DEPARTMENT OF THE INTERIOR

## Bureau of Ocean Energy Management

Bond No. N-7002317

OCS Lease/RUE/ROW No. OCS-G 7541

Bond Type Supplemental

Amount \$200,000.00

### OUTER CONTINENTAL SHELF (OCS) MINERAL LESSEE'S OR OPERATOR'S SUPPLEMENTAL BOND

The **Surety** is the entity Guaranteeing Performance.

Name of Surety: Indemnity National Insurance Company

Mailing Address: 725 Cool Springs Blvd., Suite 600

Franklin, TN 37067

If a Corporation, Incorporated in the State of: Mississippi; County or Parish of: Lauderdale

☒ Check here if Surety is certified by U.S. Treasury as an acceptable surety on Federal Bonds and listed in the current U.S. Treasury Circular No. 570.

The **Principal** is the Lessee or Designated Operator for Whom the Bond is Issued.

Name of Principal: Sanare Energy Partners, LLC

Mailing Address: 11 Greenway Plaza, Suite 2800

Houston, TX 77046

Schedule A, the lease/RUE/ROW covered by this bond, is composed of: (add legal description)

x The following lease/RUE/ROW: See attached Exhibit "A"

In addition to the Obligations of the Principal during the period of liability of this bond, the Surety also accepts the following Obligations: (Check one)

☐ No Obligations other than the Obligations of the Principal during the period of liability of this bond.

☒ All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond.

☐ All Obligations of all previous Sureties or guarantors even if the Obligations are not Obligations of the Principal during the period of liability of this bond with the following exceptions or limitations (use an attached rider).

#### Definitions

For the purposes  
of this document:

A **Principal** includes an entity holding an interest in the oil & gas lease in one or more of the following ways: (1) as an approved record title owner of all or a portion of the lease, (2) as an approved operating rights owner of all or a portion of the lease, or (3) as a designated operator or designated agent in all or a portion of the lease.

A **Lessee** includes an approved record title owner of all or a portion of the lease or an approved operating rights owner of all or a portion of the lease.

An **Obligation** includes any obligation arising from any regulations of the Department of the Interior or any Instrument issued, maintained, or approved under the OCS Lands Act (43 U.S.C. 1331 *et seq.*).

An **Instrument** includes individually or collectively any lease, operating agreement, designation of operator or agent, storage agreement, compensatory royalty agreement, transfer of operating rights, permit, license, or easement, whereunder the Principal has the right, privilege, or license to conduct operations on the OCS.

A **Person** includes an individual, a public or private entity, a State, a political subdivision of a State, any association of individuals, corporations, States, or subdivisions of States, or a government agency.

**By signing below, the Principal verifies that the information above is correct and agrees to the following:**

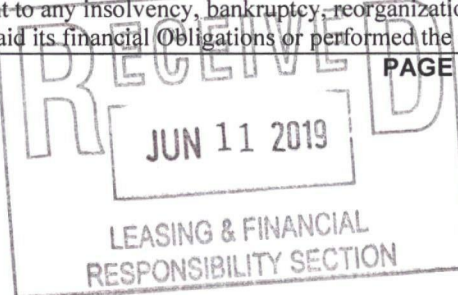
The Principal as agent on behalf of all lessees, operating rights owners, and operators will fulfill all Obligations for the entire leasehold and to the same extent as though the Principal were the sole lessee for the lease/RUE/ROW in Schedule A.

**By signing below, the Surety verifies that the information above is correct and agrees to the following:**

1. The Surety does hereby absolutely and unconditionally bind itself to the United States of America acting through and by the Bureau of Ocean Energy Management (BOEM), or such other official designated by the Secretary of the Interior for this purpose, for the payment of all of the cost of the plugging and abandonment Obligations.
2. The Surety will be responsible for all Obligations of the Principal in existence at the time this document becomes effective and all Obligations that accrue after that date and until all Obligations are met or until the Regional Director terminates the period of liability of this bond.
3. If the Regional Director terminates the period of liability of this bond, the Surety will remain responsible for Obligations that accrued during the period of liability until the Regional Director issues a written cancellation of the bond in favor of the Surety.
4. If this bond is cancelled, the Regional Director may reinstate this bond as if no cancellation had occurred if any payment of any Obligation of the Principal(s) is rescinded or must be restored pursuant to any insolvency, bankruptcy, reorganization, or receivership, or should the representation of the Principal that it has paid its financial Obligations or performed the other

BOEM-2028A (June 2016) Previous Editions are Obsolete.

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Obligations of the lease in accordance with BOEM specifications be materially false and BOEM relied upon such representation in canceling the instrument.

5. The Surety waives any right of notice of this bond taking effect and agrees that this bond will take effect upon delivery to BOEM.
6. The Surety's Obligations will remain in full force and effect, even if:
  - (a) Any person assigns all or part of any interest in an Instrument covered by this document.
  - (b) Any person modifies an Instrument or Obligation under an Instrument in any manner including modifications that result from a commitment to a unit, cooperative, communitization, or storage agreement; suspension of operations or production; suspension or changes in rental, minimum royalty, or royalties; modification of regulations or interpretations of regulations; creation or modification of compensatory royalty agreements or payments; or creation of any mortgage, pledge, or other grant of security interest in the Instruments.
  - (c) Any person, event, or condition terminates any Instrument covered by this bond, whether the termination is by operation of law or otherwise.
  - (d) BOEM takes or fails to take any action in enforcing, as against any party to the Instrument, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the lease, or giving notice of or making demand with respect to such nonperformance.
  - (e) The Surety suffers any loss by reason of any law limiting, qualifying, or discharging the Principal's Obligation.
7. The Surety agrees to be bound under this bond as to the interests in any Instrument retained by the Principal when BOEM approves the transfer of any or all of the Instruments or interests in the Instruments.
8. In the event of any default under a lease, the Surety must provide payment of all of the cost of the Obligations of the Principal upon demand by BOEM.
9. If BOEM decides to commence suit to enforce its rights, it may commence and prosecute any claim, suit, action, or other proceeding against the Principal and Surety, or either of them, whether or not BOEM joins the lessees or any other party.
10. In the event there is more than one Surety for the Principal's performance of the Obligations, as to any Instrument, the Surety's Obligation and liability under this bond is on a "solidary" or "joint and several" basis along with other guarantors or sureties.
11. The Surety agrees to give prompt notice to BOEM and the Principal of any action filed alleging the insolvency or bankruptcy of the Surety or the Principal, or alleging any violation that would result in suspension or revocation of the Surety's charter or license to do business.
12. The Surety's Obligation and liabilities under this Bond are binding upon the Surety's successors and assigns. Nothing in this document permits assignment of the Surety's Obligation without the written consent of BOEM.
13. The Surety hereby waives any defenses to liability on this bond based on an unauthorized Principal signature.

Indemnity National Insurance Company  
Name of Surety


  
Signature of Person Executing for Surety

Theresa Pickerrell, Attorney-in-Fact  
Name and Title (typed or printed)

725 Cool Springs Blvd., Suite 600  
Business Address

Franklin, TN 37067  
Business Address

Sanare Energy Partners, LLC  
Name of Principal

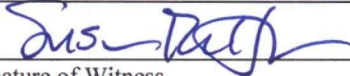
  
Signature of Person Executing for Principal

Brian H. Macmillan Sr. Vice President - Land  
Name and Title (typed or printed)

11 Greenway Plaza, Suite 2800  
Business Address

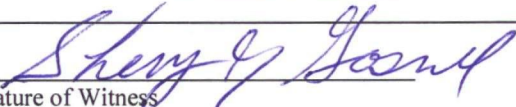
Houston, TX 77046  
Business Address

Signed on this 7th day of February, 20 19, in the State of Kentucky, in the presence of:

  
Signature of Witness

Susan Ritter  
Name (typed or printed)

2307 River Road, Suite 200  
Address  
Louisville, KY 40206  
Address

  
Signature of Witness

Sherry J. Gosnell  
Name (typed or printed)

11 Greenway Plaza, Suite 2800  
Address  
Houston, TX 77046  
Address

*Note:* The person executing for the Surety must attach a corporate resolution and power of attorney stating his or her authority to undertake this Obligation, pursuant to the acts of the corporate board of directors and the laws of the State of incorporation. The corporation executing this bond as Surety and the Principal, if a corporation, must affix their corporate seals.

**BOEM-2028A (June 2016)**

Previous Editions are Obsolete.

Exhibit "A"

Legal Description for Outer Continental Shelf (OCS) Mineral Lessee's and Operator's Supplemental Bond, Bond No. N-7002317, Covering Right-Of-Way OCS-G 7541, Main Pass Area

A right-of-way two hundred feet (200') in width and eighteen thousand nine hundred eighty-three feet (18,983') in length as constructed, for the construction, maintenance, and operation of a 4.5 Inch O.D. pipeline to transport oil hydrocarbons beginning at Block 65 (OCS-G 05692), Main Pass Area, Platform "A", crossing Block 56, Main Pass Area and ending at and including the Pig Trap (Complex ID #31022-1) on Block 55 (UNLEASED), Main Pass Area (Segment No. 7294) and a right-of-way being sixty three feet in length, approved for the Installation, operation and maintenance of a 4.5 inch O.D. pipeline to transport oil hydrocarbons beginning at Well No. 1 in Block 55, Main Pass Area to 12-inch SSTI in Block 55, Main Pass Area, an Unleased Block, Segment No. 4892 Right-of-Way OCS-G 1380 (Segment No. 11963) and including a 4-pile accessory Caisson No. 1 in Block 55, Main Pass Area, (the "Right-of-Way").





## Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: that Indemnity National Insurance Company, a Mississippi corporation, (hereinafter the "Company"), does hereby constitute and appoint: Brook T. Smith, William R. Precious, Sandra L. Fusinetti, Mark Guidry, Susan Ritter, Amy Meredith, Sheryon Quinn, and Theresa Pickerell of Louisville, Kentucky to be its true and lawful Attorney-in-Fact, with full power and authority hereby conferred to sign, seal, and execute on its behalf surety bonds or undertakings and other documents of a similar nature issued in the course of its business up to a penal sum not to exceed Five Million and 00/100 (\$5,000,000.00) each, and to bind the Company thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Company.

This appointment is made under and executed pursuant to and by authority of the following Minutes of Special Actions Taken by Written Consent of the Board of Directors, which is now in full force and effect:

Authorization to Appoint Attorneys-in-Fact and the Use of Facsimile Signatures and Facsimile Seals for the Purpose of Issuing Bonds:

RESOLVED: That the president or any vice president may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the Company to execute and deliver and affix the seal of the Company to bonds and related obligatory certificates and documents; and any one of said officers may remove any such attorney-in-fact or agent and revoke any power previously granted to such person, whether or not such officer appointed the attorney-in-fact or agent.

RESOLVED: That any bonds and related obligatory certificates and documents shall be valid and binding upon the Company,  
(i) when signed by the president, or any vice president, and sealed with the Company seal; or  
(ii) when duly executed and sealed with the Company seal by one or more attorneys-in-fact or agents pursuant to and within the limits of authority evidenced by the power of attorney issued by the Company to such person or persons a certified copy of which power of attorney must be attached thereto in order for such obligation to be binding upon the Company.

RESOLVED: That the signature of any authorized officer and the seal of the Company may be affixed to any power of attorney or certification thereof authorizing the execution and delivery of any bonds and related obligatory certificates and documents of the Company and such signature and seal then so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Indemnity National Insurance Company has been affixed thereto in Lexington, Kentucky this 6th day of November, 2017.



Indemnity National Insurance Company

By Thomas F. Elkins  
Thomas F. Elkins, President

State of Kentucky  
County of Fayette

On this 6th day of November, 2017, before me, a Notary Public, personally came Thomas F. Elkins, to me known, and acknowledged that he is President of Indemnity National Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Indemnity National Insurance Company thereto with the authority and at the direction of said corporation.



By Deborah A. Murphy  
Notary Public

My Commission Expires 09/26/2021

### CERTIFICATE

I, James E. Hart, Secretary of Indemnity National Insurance Company, do hereby certify that the foregoing Power of Attorney is still in full force and effect, and further certify that the Minutes of Special Actions Taken by Written Consent of the Board of Directors are now in full force and effect.

IN TESTIMONY WHEREOF I have subscribed my name and affixed the seal of said Company. Dated this 7th day of February, 2019.



By James E. Hart  
James E. Hart, Secretary